DECISION ON THE NEED FOR AN ENVIRONMENTAL IMPACT STATEMENT FOR THE PILLSBURY A MILL PROJECT

Action of the Minneapolis City Council on July 2, 2004 and approved by the Mayor on July 8, 2004

Based on the [Environmental Assessment Worksheet (EAW)] and all sections of the above analysis, the City of Minneapolis, the responsible governmental unit (RGU) for this environmental review, concludes the following:

- 1. The EAW and related documentation were completed in compliance with the procedures with the Minnesota Environmental Policy Act and Minn. R., Pt 4410.1000 to 4410.1700.
- 2. The EAW and related documentation have not satisfactorily addressed all of the issues for which existing information could have been reasonably obtained. Based on information received during the comment period, the EAW is inadequate as follows:
 - The EAW fails to identify and discuss how the project may affect the integrity of the historic resources on or proximate to the site. Aspects of the project with potential impacts on these resources which have not been identified in the EAW include but are not limited to, the demolition of buildings and structures, construction of new buildings, and rehabilitation of existing buildings and structures.
 - The EAW fails to describe impacts related to proposed demolitions, or the historical importance of each property to be removed by demolition and the effect of that removal on the remaining historic properties.
 - The EAW fails to describe the visual and functional impacts on the historic district, and on individual historic properties resulting from the siting, height, design, massing and scale of the proposed new construction.
 - The EAW fails to address impact on views to, from and of the Mississippi River. Further, the EAW has not adequately disclosed the impacts on and within the Mississippi National and Recreation Area (MNRRA), the Mississippi River Critical Area, and the St. Anthony Falls National Register of Historic Places District.
 - The EAW fails to adequately address air quality issues, and staff has recommended that additional air quality studies be required. This study should be conducted as part of the environmental review process in order to inform the Council on this impact before it makes a decision on the EAW.
 - The EAW is inadequate because there is no useable information concerning how stormwater runoff will be managed, or its impact on the A Mill complex, nor was any credible information provided regarding the impact of major sewer and water utility improvements for the project on the historic sluice ways and mill races under the A Mill and Main Street.
 - The EAW is inadequate because it fails to provide adequate information on cumulative impacts of related development. In addition to the project, the proposer is also developing the adjacent Diageo site for the Phoenix Lofts development. These two projects are being developed by the same proposer and fall just below the required mandatory threshold for an EIS by less than 10% of

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- the required 1500 units for a mandatory EIS. However, the cumulative impacts of these two projects is (sic) not adequately addressed in the EAW, but their assessment is left to the regulatory process.
- The EAW is inadequate because it fails to provide any meaningful, substantive analysis of historic impacts which would help the proposer define and refine the project, and to help the City with its future reviews in the City's regulatory processes. The record of decision discloses that the EAW does not fully describe historic resources, impacts, and mitigation options and therefore fails to discuss in the EAW measures that may have already been taken or could be taken to address project impacts. The EAW also fails to identify effective and appropriate avoidance and/or mitigation measures, which actions are a central requirement and purpose of an EAW.
- The EAW is inadequate because it does not provide sufficient information for the City to mitigate the environmental effects of the project by ongoing public regulatory authority, in the City's zoning and building permit processes. Since the record of decision contains little useable information on the environmental impacts, particularly relating to the height impacts, the City's ongoing regulatory processes will be inadequate to mitigate the environmental impacts of the project without this information.
- There is inadequate staffing in the Public Works Department and the Planning Department, including planners who support the Heritage Preservation Commission (HPC) to fully assess in the regulatory process, all the impacts on all the historic resources identified by commenters in the EAW, when these impacts have not been adequately identified in the environmental review process. Staff cannot adequately assess the environmental impacts while also addressing the regulatory standards in the zoning process. Staff cannot replicate in the regulatory process the expertise which would be required to identify and assess all the impacts of the project, and which could be brought to bear in the EIS process.

The Council determines the EAW is not adequate and that based on the EAW, all the comments and additional information received during the EAW comment period, the project has the potential for significant environmental effects and therefore, orders the preparation of an [Environmental Impact Statement (EIS)] pursuant to Minn. R. 4410.1700 subp. 1 and 4410.2000, subp 3.A.

Further, the City directs staff to commence the EIS scoping process pursuant to the requirements of Minn. R. 4410.2100, which scoping process shall include the following issues at a minimum for discussion during the EIS preparation period:

• The developer should prepare a more comprehensive analysis of the overall impacts of the entire project on the historic district. He should prepare a detailed statement describing the archaeological, historical, and architectural resources in the area, including a description of the nature and character of the historic district. The statement also should identify how the proposal implements the recommendations contained in the Secretary of the Interior's Standards for Rehabilitation and the guidelines adopted by the Minneapolis Heritage Preservation Commission (HPC), and describe any project-related impacts on

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- these resources and measures to minimize or avoid these impacts. Submit additional information to satisfy the above concerns related to all phases of the project.
- The developer should evaluate the visual and functional impacts of all new construction on all of the historic resources on the site and proximate to it, including resources across the river and historic elements such as tunnels and raceways concerns related to all phases of the project. These impacts include siting, height, design, massing, and scale related to all phases of the project.
- Impact of the project on views to, from and of the River within the St. Anthony Falls Historic District, on both the east and west banks of the District and the east and west banks of the River contained within the Mississippi National Recreation Area, the Mississippi River Critical Area and the City's Shoreland Overlay District related to all phases of the project.
- The cumulative impacts on historic resources of the project and the Phoenix Lofts related to all phases of the project.
- The impacts on infrastructure for the project on the historic sluice ways and mill races under the A Mill and Main Street related to all phases of the project.
- Possible mitigation effects on historic resources of a master plan for the project site.
- Additional air quality study analyzing impacts on all phases of the project to further evaluate possible exposure of people to dangerous levels of pollutants from the Southeast Steam Plant and mitigating measures that will prevent such exposure based upon the heights and placements of buildings.
- Stormwater management plan and evaluation of potential impacts from groundwater on the nearby Southeast Steam Plant and surrounding natural and historic resources.
- In handling the approvals process, staff should make every effort to make sure that restoration of the A Mill is part of the first phase of the project.

Staff is further directed to comply with the procedures for scoping found in Minn. R. 4410.2100, subp. 4 and subp. 5, and to specifically invite comments from the Department of Natural Resources, the State Historic Preservation Office, the National Park Service and all other preservation organizations and others who provided comments during the EAW comment period.